



October 17, 2011

Ms. Marlene Dortch  
Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street, S.W.  
Washington, D.C. 20554

Re: WC Docket No. 10-90; GN Docket No. 09-51; WC Docket  
No. 07-135; WC Docket No. 05-337; CC Docket No. 01-92;  
CC Docket No. 96-45; WC Docket No. 04-36

Dear Ms. Dortch:

On October 17, 2011, Mike Rhoda and Eric Einhorn (Windstream), Hank Hultquist, Joel Lubin and Mike Lieberman (AT&T), Mike Saperstein (Frontier), Kathy Grillo (Verizon), Melissa Newman and Jeff Lanning (CenturyLink) and the undersigned met with Sharon Gillett, Patrick Halley, Rebekah Goodheart, Victoria Schelg, Amy Bender, Steve Rosenberg, Carol Matthey, Brad Gillen (WCB), Michael Steffen (OGC) and Zac Katz (Office of Chairman Genachowski) to discuss universal service and intercarrier compensation reform.

We discussed a number of issues concerning intercarrier compensation reform and the opportunity to recover revenue lost through mandated reductions in intercarrier rates. We discussed the ABC Plan's proposed reduction in recovery from an access recovery mechanism of ten percent and that applying that same percentage reduction to the entire access shift from mandated reductions would not be consistent with the careful transition incorporated into the ABC Plan's proposal for intercarrier compensation reform. We also discussed that multi-line business SLCs were unlikely to provide a real opportunity to recover revenue lost to mandated intercarrier rate reductions. We further discussed limiting recovery from potential increases in access recovery charges to the actual access shift from mandated rate reductions over the period of intercarrier reform. In addition, we discussed a potential end state for intercarrier reform of bill-and-keep, and the importance of establishing ground rules before any final step to bill-and-keep occurred. Regarding the operation of an access recovery mechanism, we discussed associating any recovery from that mechanism with investment in broadband networks, including broadband networks in high cost, rural or unserved areas.

In the area of universal service reform, we began by discussing the time period for which CAF support would likely be awarded and tailoring CAF support to obligations. We emphasized the importance of synchronizing the period of funding support with the time that full CAF funding begins.

Regarding the operation of the CAF, we also discussed the type of network build that should be modeled using a forward-looking cost model. The ABC Coalition modeled a fiber-to-the-DSLAM (FTTd) build based on the assumption that such a build would represent the most efficient use of existing network facilities combined with incremental investments where

needed to support the level of service proposed by the ABC Plan. At the request of FCC staff, we investigated the number of unserved locations that would receive service as a consequence of such a network build, as well as the distribution of loop lengths and associated performance. One of the benefits of an FTTd build, as opposed to an FTTP build, is that it would bring broadband to unserved homes in all census blocks served by remote terminals used to reach the funded census blocks.

While real world results may vary from the modeled outcomes, we provided the Commission with the following information. First, an FTTd build would bring broadband to more than 2 million previously unserved locations in the census blocks funded under the ABC Plan. In addition, it would also bring broadband to nearly 2.8 million previously unserved locations in unfunded census blocks. For all locations with no prior broadband service from the telephone company, approximately 34% would have loop lengths less than six-thousand feet, and approximately 18% would have loop lengths less than four-thousand feet. We indicated that loop lengths of less than six-thousand feet would support a minimum of 6 Mbps downstream speeds, and that loop lengths of less than four-thousand feet would support a minimum of 12 Mbps downstream speeds.

Regarding the operation of the first phase of CAF support, we discussed approaches to defining broadband commitments that would attach to any incremental funding that flows to a particular carrier, including types of service that would be supported, the appropriate definition of unserved for phase I purposes, that the obligations should apply at the holding company level and possible broadband buildout milestones. We emphasized that the calculation of incremental funding should be done at the holding company level. We also cautioned against any immediate and mandatory conversion of rate-of-return areas served by companies affiliated with price cap carriers to price cap status as inconsistent with careful transitions. Finally, we discussed the importance of the proposal in the ABC Plan that links legacy obligations with legacy support. The Plan proposes to ramp down and eliminate legacy support at which legacy obligations would no longer be funded, and should similarly end.

Pursuant to Commission rules, please include a copy of this filing in each of the above-referenced dockets.

Sincerely,



Jonathan Banks

c: Sharon Gillett  
Patrick Halley  
Rebekah Goodheart  
Victoria Schelg  
Amy Bender  
Steve Rosenberg  
Carol Matthey  
Brad Gillen  
Michael Steffen  
Zac Katz